Survey Methodology for the 2013 Annual Survey of Public Pensions: State-Administered Defined Benefit Data

The U.S. Census Bureau sponsors and conducts this Survey of Public Pensions as authorized by Title 13, United States Code, Section 182.

The survey measures revenues, expenditures, financial assets, and membership information for public employee pension systems classified as defined benefit plans. Data are shown for individual pension systems as well as at the national and state level. The survey yields a table and files that provide users with comprehensive statistical information about the financial activity and the membership of state and local government employee pension systems.

Population of Interest

The population of interest for this survey includes public employee pension systems administered by state governments throughout the nation. Pension systems were only included if they met the following two criteria: (1) they were sponsored by a recognized unit of government as defined by the Census Bureau and (2) their membership was comprised of public employees compensated with public funds. These pension systems consist of defined benefit plans – not defined contribution or post-employment healthcare plans.

Sample Design

All state-administered public employee pension systems were included in the sample and as such, they are not subject to sampling variability.

Content of the Survey

A pension system is a pension plan in which investments, contributions, and benefits are administered as a separate entity independent of the parent government general fund. Assets are accumulated and benefits paid under a particular set of actuarial assumptions, including employee age, compensation, and service credits. They include single employer systems, in which one government is the sole sponsor of the pension plan, as well as multiple employer systems, where two or more governments maintain membership on behalf of their employees.

For both the Census of Governments and the annual survey, the detail of the data is equivalent, encompassing the entire range of financial activity for government employee pension systems – benefits paid, government contributions, employee contributions, and total holdings and investments. Total holdings and investments data include securities and other assets, such as cash and short-term investments, corporate bonds and stocks, and mortgages held directly.

The 2013 survey year encompasses fiscal years that end between July 1, 2012 and June 30, 2013. Most state-administered pension systems have fiscal years that end on June 30th and for those systems, the 2013 survey year covers the period from July 1, 2012 to June 30, 2013. For those pension systems with fiscal years that end **after** June 30th, the survey year includes data from their 2012 fiscal year.

There are exceptions to the fiscal year definition rule for the state pension systems in Alabama, Michigan, and Texas. For systems in these states, the fiscal year moves beyond the June 30 cutoff, so that the data for survey year 2013 covers the fiscal year from September 1, 2012 to August 31, 2013 (TX), and from October 1, 2012 to September 30, 2013 (AL, MI). This exception is applied in order to better align the pensions data with data from the Survey of State Government Finances.

The form listed below is used to collect the data. The variables collected on this form are explained in detail in the 2006 Government Finance and Employment Classification Manual.

Form Number	Survey Name
F-12 FY2013	2013 Annual Survey of Public Pensions, State-Administered Defined Benefit Plans

Data Collection

Data collected for the Survey of Public Pensions are a matter of public record and are not confidential, as authorized by Title 13, United States Code, Section 182. Data for this survey were collected using the F-12 form listed in the Content of the Survey section above.

Data in these files are based on information obtained in the Annual Survey of Public Pensions. Forms were mailed to the 227 state government employee pension systems, with a response rate of 100 percent. In 2012, the state systems accounted for 82.9 percent of the total assets of the 2012 public-employee pension system universe.

Staff contacted nonrespondents through a follow-up mail-out and by way of follow-up telephone calls. Staff used Comprehensive Annual Financial Report (CAFR) available on the Internet to compile data for individual data items not reported on the returned form. All respondents had the option of returning their survey form or reporting their data on the Census Bureau's Internet collection instrument.

The data collection schedule used for the Annual Survey of Public Pensions: State-Administered Defined Benefit Data follows:

Initial mail-out	September 2013
Follow-up mail-out	October 2013

Data Processing

Editing

Editing is a process that ensures survey data are accurate, complete, and consistent. Efforts are made at all phases of collection, processing, and tabulation to minimize errors. Although some edits are built into the Internet data collection instrument and the data entry programs, the majority of the edits are performed post collection. Edits consist primarily of two types: consistency edits and historical ratio edits of the current year's reported value to the prior year's value.

The consistency edits check the logical relationships of data items reported on the form. For example, if a value exists for the number of retirees receiving benefits because of age or length of service then there must be a value reported for the amount of benefits paid.

The historical ratio edits compare by item code the data reported for the current year with data reported for the prior year. If data fall out of acceptable tolerance levels, the item is flagged for review.

For both types of edits, the edit results are reviewed by analysts and adjusted when needed. When analysts are unable to resolve or accept an edit failure, contact is made with the respondent to verify or correct the reported data.

Imputation

Not all respondents answer every item on the questionnaire. Imputation is the process of filling in missing or invalid data with reasonable values in order to have a complete data set for estimating state and national totals.

Effective with the 2013 Annual Survey of Public Pensions: State-Administered Defined Benefit Data partial nonrespondent data were imputed. For partial nonresponding governments, the imputations were based on recent historical data from the 2012 Census of Governments, if available. These data were adjusted by a growth rate that was determined by similar responding units (based on Total Cash and Investments amounts). If there were no recent historical data available, the imputations were based on the mean or median of groups of similar responding pension systems or a donor substitution. Depending on the variable, the imputed data may have been adjusted by the ratio of the nonrespondent's Total Cash and Investment amount to the mean or median Total Cash and Investment amount of the group or donor. These methods are applied to specific variables based on research conducted in 2013. A bridge study, which reviews the imputation methods in detail, is forthcoming.

Nonsampling Error

The data from this survey are not from a sample and are not subject to sampling error, but they are subject to nonsampling error. Although every effort (as described in the Data Processing section) is made in all phases of collection, processing, and tabulation to minimize errors, the data are subject to nonsampling errors such as the inability to obtain data for every variable from all units in the survey, inaccuracies in classification, response errors, misinterpretation of questions, mistakes in keying and coding, and coverage errors.